

COUNCIL POLICY FORM

SUBJECT: Outside Groups Funding Policy

The subsections of this policy are provisions intended to implement its purpose. These subsections are as follows:

- ! Policy Purpose
- ! Policy Statement
- ! Proposal Funding Categories
- ! Application Policy Statement
- ! Evaluation Process
- ! Coordinated Funding Schedule

POLICY PURPOSE:

The purpose of this policy is to establish guidelines for funding programs/services for the City which may be provided by outside groups. This policy is necessary to:

- I. Provide a cost-effective approach to provision of City services by establishing a process through which outside groups can be funded to provide needed service;
- II. Establish a methodology by which programs/services proposed by outside groups can be assessed;
- III. Establish an evaluation system which assures equity in the process of funding considerations by Council; and
- IV. Establish the type of funding commitment which the City will provide.

POLICY STATEMENT:

The City will consider funding outside groups if the programs proposed conform to the "Proposal Funding Categories" criteria below. Groups qualifying under the funding criteria will be evaluated in relation to existing City policies.

PROPOSAL FUNDING CATEGORIES:

Programs for which funding is requested must qualify in one of the criteria below. Proposals not fitting into these categories will not be evaluated nor considered for

funding:

- I. Seed Program. Funding for start-up of new programs designed to meet a significant community need or problem. Proposers must demonstrate a high probability that funding can be sustained beyond the commitment of City funds. Initial funding for seed programs is limited to one year; second year funding is possible if program demonstrated good performance, and, in the case of certain programs, consideration of special factors related to need for funding. Proposer must demonstrate good faith efforts to secure funding for programs/services from other sources.
- II. Project. Funding of one-time projects designed to address significant community need or problem. Funding of such projects shall be limited to a specific time-frame, usually not more than one year.
- III. Emergency. Funding of operational programs offered in the community which meet an existing need. Proposers and programs qualifying under this criterion must demonstrate 1) good performance of current programs; 2) that financial difficulties will largely curtail the services to City residents; and 3) a reasonable probability that future funding to continue the program can be obtained from other sources. Funding for programs qualifying under this criterion shall be limited to one year.
- IV. Indirect City Program. Funding of programs and services to address identified community needs or problems (in City General Plans or other policies) through direct financial support and/or in-kind contributions. Programs/services funded under this criterion must represent a service which can be more cost-effectively operated by the proposer (than the City) or must be such that the proposer, because of its role in the community, is the most logical service provider. Funding may be provided on a multi-year basis, but is not guaranteed. Continued funding is contingent upon City budget limitations and proposer's previous program performance. Proposer must demonstrate good faith efforts to secure funding for programs/services from other sources.

APPLICATION POLICY STATEMENT:

The City wishes to consider funding of needed and appropriate services in an orderly and rational manner. In order to determine which agencies should be awarded funding, the Council has adopted a formalized application procedure and form to be used for all outside groups desiring to act as a service provider and requesting funding from the City to do so. All groups requesting City funding under this policy will be required to submit a complete application by specified due dates. Public notice of the availability of requests

and the specified dates will be provided in ample time for applications to be prepared.

All applicants desiring a grant from the City to provide recreational, social, human or other services will be required to comply with the application procedure and time schedule. All applications will have to meet the three (3) following criteria:

- I. Provide a service consistent with an existing recognized City need, policy, goal or objective;
- II. Request funds for a program or project within one of the four identified funding categories (see above); and
- III. Have completed the application process and the application has been determined to be accurate and complete.

EVALUATION PROCESS:

To assure that all applications for City funding receive due consideration and to ensure that Council is provided with the information it needs to make its funding decisions, the following evaluation process will be applied to requests received:

- I. Applications not received by the due date will be rejected. Applicants submitting applications which are incomplete will have three (3) working days from notification by staff to correct any deficiencies, or their applications will not receive further evaluation.
- II. Staff will determine proposal eligibility based on guidelines provided in this policy. Proposals not qualifying will be recommended to Council for rejection and will not receive further evaluation.
- III. Applications qualified for consideration will be brought forth to Council, with a staff recommendation as to the appropriate citizen's advisory body which would evaluate the proposal.
- IV. Staff will prepare a technical evaluation of the applications before submitting to the advisory committees.
- V. The advisory groups will conduct formal evaluations of the applications, including the opportunity for each group to present its program to the advisory committee for evaluation. Staff and advisory committees will make recommendations to the City Manager and Council such that the proposals will be in rank order of priority.

VI. The City Manager will review the proposals and recommend to Council which programs should be funded, taking into consideration other budget priorities.

The advisory committees will develop evaluation criteria appropriate to their areas of concern. Staff and the advisory committees will apply these criteria to all applications reviewed. In general, these evaluation criteria include (but not limited to), the following guidelines:

Critical Evaluation Factors. Each of these factors must be met for the program to receive a recommendation for City funding.

- ! The organization must meet minimum eligibility standards to receive funding. (Reference Attachment I)
- ! The organization and its program must have demonstrated good performance and capability to effectively provide this program.
- ! The organization and its program must deliver services in a cost-effective manner.
- ! The organization must be an appropriate agency to deliver this program.
- ! The program is not a duplication of services provided in the same service area.
- ! The organization and its programs must have a good management system, especially financial management.
- ! The proposed program has a contingency plan for funding if City support is limited or eliminated in the future (critical for seed programs).

Favorable Evaluation Factors. The proposed program must address one or more of the following factors, particularly the first four, to receive a positive recommendation. Programs that meet all or several of the criteria are in a stronger position to receive a positive recommendation.

- ! The proposed program addresses or relates directly to a general plan policy or action statement.
- ! The proposed program is a needed enhancement of an existing City program or program direction and can be better performed by an outside

group than the City directly.

- ! The program has a diverse funding base, as opposed to reliance upon City funds to support its operation.
- ! The extent to which City funds are leveraged with other funds to provide services.

Information to be Evaluated; Certain Organizations. The following information shall be evaluated for each sports, performing and visual arts, and recreational hobby, or other organization applying for outside group funding, except for an organization providing social service programs to participants (e.g., nutritional programs, legal services):

- (1) What is the total annual budget of the organization?
- (2) What is the current annual dollar contribution by the City to the organization through outside group funding?
- (3) How many participants does the organization serve?
- (4) How many Sunnyvale residents does the organization serve as participants?
- (5) What proportion of the participants of the organization are Sunnyvale residents?
- (6) What is the current City annual contribution per participant to the organization?
- (7) What amount of dollar increase and percentage of dollar increase in total revenues of the organization and in revenues from the following sources, if any, would provide sufficient additional revenue to the organization so that the City funding would be unnecessary?

- | | |
|---------------------------|--------------------------------|
| ! Registration fees | ! Private sponsorship receipts |
| ! Ticket sales | ! Individual donations |
| ! Membership fees or dues | ! Corporate donations |
| ! Grants or contributions | ! Advertising |
| from other governmental | |

agencies

- (8) Does the group reimburse the City for any facility or equipment use? If so, how much?
- (9) Does the group provide benefits to the City beyond those benefits directly to participants?

After the foregoing data is obtained and analyzed, the following determinations shall be viewed as favorable and unfavorable regarding City funding:

| <u>Favorable</u> | <u>Unfavorable</u> |
|---|--|
| 1. The organization has a large number of participants. | 1. The organization has a small number of participants. |
| 2. The organization has a large proportion of participants who are Sunnyvale residents. | 2. The organization has a small proportion of participants who are Sunnyvale residents. |
| 3. The City's current contribution per participant is low. | 3. The City's current contribution per participant is high. |
| 4. The organization cannot feasibly increase revenues by a sufficient amount of percent to eliminate the need for City funding. | 4. The organization can feasibly increase revenues by a sufficient amount or percent to eliminate the need for City funding. |

Qualitative determinations as to size, proportions, and contributions per participant of a given organization shall be made by comparison with such factors with respect to other organizations receiving or applying for funding under this policy.

Other Funding Guidelines. These guidelines are applied to the recommendation regarding the amount of funding for the program, after it has been determined that funding is recommended.

All programs

- ! Travel expenses must clearly indicate in-county versus out-of-county travel.

- ! The "surplus" or contingency fund" of the organization should be used to fund programs in lieu of City funds to the extent it exceeds reasonable limits based upon the activities of the organization and its program. Generally, the surplus should not exceed three months operating budget.

Indirect City Programs

- ! If there are no significant service level changes in terms of the type or quantity of services provided, subsequent years funding will be limited to the inflationary adjustment used in preparing the City budget. Changes or enhancements in the type of services provided will be independently considered in the same fashion as a new application.
- ! The amount of subsidy for any sports/recreation group is not to exceed an amount equivalent to that which is raised from its membership through fees, less fee waivers for economically disadvantaged members.
- ! Non-expendable equipment purchases exceeding \$200 should be considered as "project" costs and funded separately from indirect City programs. Only extraordinary (from normal operations) one-time equipment purchases will be considered for funding under project funding for indirect City programs.

Human Services Policy. In addition to the evaluation criteria noted above, the City has an adopted "Human Services Policy" that is applicable to the evaluation of outside group applications. The Human Services Policy is to be considered by staff and advisory groups in making recommendations to Council.

Based upon the above criteria (as appropriate) and any additional criteria developed by staff and advisory bodies, proposals will be rated and recommended for funding. Those funded will receive specific performance standards upon which on-going performance can be evaluated. In addition, the advisory committees will be charged with monitoring and evaluation of programs funded. Past performance is an important factor in the decision to fund programs.

COORDINATED CALENDAR:

In order to show the relationship between the funding cycle for outside groups and the City budget process, a coordinated calendar will be prepared annually. This calendar shows the integration of requests from groups requesting funding from the Community

Policy 5.1.4

Development Block Grant Funds, Revenue Sharing Funds, City General Fund (including in-kind contributions) of other resources available to the City.

The amendment to this policy approved by the City Council on October 27, 1992, shall be operative with respect to applications for funding for the 1993/94 fiscal year and thereafter.

Report to Council No. 81-617, 86-612, 92-519

Approved by Council on October 13, 1981

Amended by Council on November 25, 1986

Amended by Council on October 27, 1992

Deputy City Clerk Certification _____